

Date of Hearing: April 24, 2012

ASSEMBLY COMMITTEE ON VETERANS AFFAIRS

Paul J. Cook, Chair

AB 2250 (Gaines) – As Amended: April 9, 2012

**SUMMARY:** This bill would exempt specified veterans from paying non-resident tuition at California higher education institutions. Specifically, this bill:

1. Exempts certain veterans and their spouses from paying nonresident tuition at the California State University and the California Community Colleges, and requests exemption for them from paying nonresident tuition at the University of California;
2. Specifies that the exemption applies to a student:
  - a. Who is a former member of the Armed Forces of the United States or the State Military Reserve, or
  - b. Is the spouse of a former member of the Armed Forces of the United States or the State Military Reserve;
3. Requires the former military member to have received an honorable discharge;
4. Requires the former military member to have served at least 36 months in the military before discharge;
5. Requires the former military member must have received an honorable discharge for the member or spouse to be eligible; and
6. Requires the student to file an affidavit with the institution stating his or her intent to establish residency in California as soon as possible.

**EXISTING LAW:**

1. Establishes the segments of the public postsecondary education system in the state, including the University of California administered by the Regents of the University of California, the California State University administered by the Trustees of the California State University, and the California Community Colleges administered by the Board of Governors of the California Community Colleges.
2. Establishes uniform student residency requirements for purposes of ascertaining the amount of fees to be paid by students at these segments of public postsecondary education.
3. A student who is a member of the Armed Forces of the United States stationed in this state on active duty, except a member of the Armed Forces assigned for educational purposes to a state-supported institution of higher education, is entitled to resident classification only for the purpose of determining the amount of tuition and fees.

4. If that member of the Armed Forces of the United States who is in attendance at an institution is thereafter transferred on military orders to a place outside this state where the member continues to serve in the Armed Forces of the United States, he or she shall not lose his or her resident classification so long as he or she remains continuously enrolled at that institution.
5. A student who was a member of the armed forces of the United States stationed in this state on active duty for more than one year immediately prior to being discharged from the armed forces is entitled to resident classification for the length of time he or she lives in this state after being discharged up to the minimum time necessary to become a resident.

FISCAL EFFECT: Unknown at this time. This bill is keyed fiscal.

COMMENTS:

Active duty military members move regularly during most typical military careers. The Current Population Survey (CPS) is a monthly survey of households conducted by the Bureau of Census for the Bureau of Labor Statistics and is the basis for official government labor force statistics, including the unemployment rate. The Annual Social and Economic supplement to the CPS indicates that active duty military families have a relatively high rate of interstate mobility compared to the general population. For example, military spouses moved across interstate lines at a rate approximately 15 times higher than the general population.

The Post 9/11 GI Bill program will only pay the resident tuition cost for a student. Thus, students using that program are currently faced with a choice, wait to establish residency before attending school or pay out of pocket (or find some other program) to cover the difference between the resident and non-resident rates. That difference is substantial. According to the Assembly Committee on Higher Education:

Benefits of California-resident classification for tuition and fee purposes. UC, CSU, and CCC are publicly subsidized with the proceeds of state taxes; the lower resident fees for students who reside in California reflect the contribution they and their parents have already made by paying taxes in California. The fees charged to non-California residents are intended to cover the cost of the subsidy that is generated by California taxpayers. Tuition and fees for a full-time undergraduate student in 2011-12 are:

	<u>Resident</u>	<u>Out-of-State</u>
UC	\$12,192	\$35,070
CSU	\$5,472	\$10,170
CCC	\$36 per unit	\$244 per unit

Veterans, particularly young veterans from the era of conflicts in Iraq and Afghanistan, face an alarming employment situation. Gulf War II era veterans were unemployed at a rate of 12.5%, compared to 9.5% for the overall population. Reducing barriers for them to obtain higher education, particularly when many of them are able to attend school and utilize the generous Post 9/11 GI bill is an important policy decision.

The bill as drafted allows students to continue to pay resident tuition even as they retain residency in another state, however, they must declare their intent to establish residency here. Existing law strikes a balance, allowing students to pay resident fees while on active duty and for approximately a year after, giving time to establish residency. This one-year exemption applies however, only to students who were stationed in California for one year prior to discharge. This bill will extend a similar exemption to veteran students and spouses even if they were not stationed here for one year prior to their discharge and allow the exemption to continue for longer than one year.

The State is in a time of budget austerity and most of our institutions of higher education are impacted by severe budget cuts and applications from far more students than they can serve. For example, last fall CSU schools only admitted students systemwide at a rate of 67%. For the UC system it the admission rate was only 9.3%. Policymakers must balance the unique needs of military and veterans who have served their nation honorably during a time of war against a severely oversubscribed and budget-reduced higher education system.

Related legislation. AB 2478 (Hayashi), would waive nonresident tuition for up to four years for CCC students who served on active duty for one year immediately prior to discharge. AB 38 (Salas, 2009), which died in the Assembly Appropriations Committee, would have waived nonresident tuition for one year. SB 272 (Runner), Chapter 356, Statutes of 2007, as introduced would have waived the one-year residency requirement for former military members. This provision was deleted from the chaptered version. AB 2472 (Wyland) of 2006, was substantially similar to this bill and was held in the Assembly Appropriations Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

Veterans of Foreign Wars of the United States, Department of California.  
National Association of Veterans Program Administrators  
American Legion- Department of California  
AMVETS- Department of California  
California Association of County Veteran Service Officers  
California State Commanders Veterans Council  
Vietnam Veterans of America- California State Council  
Cal Veterans Group  
Returning Veterans of America  
California Community Colleges Chancellor's Office  
North Orange County Community College District  
Orange County Community Colleges Legislative Task Force  
South Orange County Community College District  
Coast Community College District  
Rancho Santiago Community College District

Opposition

None on file.

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